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Disallowance.

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Canadian Manufacturer

DISALLOWANCE.

The Disallowance Question, as it is popularly called, cannot be treated by Parliament as a party question. Whatever ardent politicians may desire, the people of Canada decline to range themselves in party attitude on a question of such moment to the commercial future of the country; and the will of the people may be expected to find suitable expression in a Canadian Parliament.

The question before the people of Canada to-day is a simple but a momentous one. Not since the foundations of our Confederation were laid have graver issues been presented for final settlement. Seldom in our history as a people are we likely to be called upon to deal with a question bearing so intimately and so seriously upon our commercial and political future.

The question is this: After an expenditure of public and private funds, amounting to one hundred and fifty millions of dollars, in the purchase of the North-West Territory, in the construction of the Canadian Pacific Railway, the suppression of two rebellions, the surveying and partial settlement of immense tracts of the newly acquired and newly developed territory, the establishment, over a vast but scantily peopled area, of our political and municipal and local institutions, are we to abandon the country and the commerce we have thus created, and hope to create, and hand it over to the people of the United States? Are we, with our eyes wide open, to foster those railway schemes and private speculations which can

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only have a saleable value at the expense of the commerce of our country—a commerce created and secured at such a vast cost to the people of Canada? Must we not only commit commercial suicide but pave the way for the political ruin of our country by supplying the people of the Canadian North-West with the strongest temptations and inducements to abandon our Confederation and link their political and commercial future with the people of the United States? These are the real issues involved in the discussion that has been raised by those in Manitoba who have railway charters and railway property to sell, the value of which will be gauged entirely by the success which may attend their efforts to force the Parliament of Canada to deliver the Manitoban and North-West markets to the traders of Chicago and Saint Paul and Minneapolis and Duluth.

There is no reason why it should be longer concealed that at the bottom of the agitation to compel the Canadian Parliament and Government to sanction the construction of railways into our North-West, are, 1, the St. Paul and Manitoba and Northern Pacific railways, which seek to carry the commerce of Manitoba and the entire Northwest to United States trade centres; 2, the Manitoba and North-Western railway company, whose road is built from Portage la Prairie for a hundred miles or more, stretching towards the North Saskatchewan; and 3, the parties whose names are mentioned in the railway charters that are passing through the Manitoba Legislature, and whose lines, when constructed, are expected to reach the United States boundary at such points as will make the charters most saleable to the United States Railway Companies. The last named corporations being in the market as buyers, the Manitoba and North-Western being in the market as a seller, and the charter promoters of Winnipeg standing ready to knock down their ventures to the highest bidder, the motives of the

select few who are laboring to prevent the trade of the North-West coming east to Canadian commercial centres are plain and not to be misunderstood.

We, the business men of the Eastern Canadian Provinces, may be excused if we fail to comprehend all the railway manœuvering that has been in progress for several years in the Canadian North-West; but we do not need to go deeply into the subject to understand that there is at this moment a conspiracy in existence composed of two parties, one, within our own country, that hopes to profit by delivering to the United States the commerce of our North-West; the other, a party that is prepared to accept this steadily increasing commerce and to pay in hard cash for this great service to United States railway interests, United States trade centres, and United States seaports.

How the successful working out of this arrangement may affect what we may speak of as the selfish interests of the Canadian Pacific railway is an important and not a secondary consideration for the people of Canada. Were the trade of the Canadian North-West diverted to United States points, as the United States railways and their Canadian allies desire, the Lake Superior section of the Canadian Pacific would be rendered comparatively useless; there would be no further use for a line independent of foreign influence; and the present calculations of the Canadian Pacific Company would, of course, be upset forever. But a great corporation, such as this, manipulated by some of the foremost railway minds of America, might be relied upon to protect its financial interests; and, unfortunately, in such a contingency, its interests would lie in the direction of disposing of its lines west of Winnipeg, with its great land grant and valuable telegraphic franchise, to some mammoth United States railway and land and telegraph corporation that would gladly bid high for what would give them the absolute control of the Canadian North-West, with all that this implies.

Our first consideration has to do, not so much with the future of this great railway as with the commerce it has created, the wealth of trade which in the years to come will, by means of it, be distributed throughout our Eastern Provinces, and the beneficial results to all Canada, from a national point of view, of fostering and protecting the interchange of trade between Eastern Canada and the North-West and British Columbia. This is a trade question, and not a railway question. It can become a political and a railway question only after a Canadian Parliament has practically handed over the trade of the Canadian North-West and of British Columbia to the trade centres and ports of the United States.

The extent of that trade in the future may be estimated by what already exists. The Canadian Pacific railway now moves about 300,000 tons of freight a year. We know how small the population is that produces this traffic, and we can assume the proportions which it will take when, instead of one or two hundred thousand people, the North-West is filled with millions of inhabitants, mainly agriculturists, having few manufactures and dependent for manufactured goods upon other communities. Even the production and barter and movement of 300,000 tons of North-west freight mean much to Canadian merchants and manufacturers—to our mechanics and laborers—to our banks and capitalists—to the railway and lake steamers and ocean vessels—to all, in fact, who are engaged in any way in handling the trade of the country. What may we not expect this commerce to amount to when twenty or fifty times as many inhabitants have settled in that country?

The refusal to allow the trade of our North-West to be passed over to a foreign country has been the policy both of Liberal and Conservative Governments. This policy is endorsed by every commercial community in Canada, east of Lake Superior, and by a majority of those of the

North-West. It is a policy which every patriotic Canadian approves. It is a prime factor in a truly National Policy. We must legislate not to build up the trade of foreign countries, but to augment the trade of Canada. Our commercial interests are not in St. Paul or Duluth or Chicago, or Boston or New York, or Portland or Baltimore, but in Toronto and Hamilton, and London and Montreal, and Ottawa and Quebec. and St. John and Halifax and Winnipeg, and a hundred other Canadian trade centres, great and small. For what are we expending hundreds of millions in cash and lands, for railways, for canals and harbors? Is it for the development of Canada or for the development of the United States and *their* cities and harbors? Why should five millions of Canadians undertake, for the extension of trade and commerce and the consolidation and unity of this country, such burthens as no other young country ever assumed, if, at the very outset of a most promising career of development, she can be forced, by a very limited number of people, to reverse her national policy, abandon her dreams of internal trade, based largely on lavish public expenditure, and content herself with seeing her life-blood drained into foreign veins to increase the wealth and strength and energies of a country that refuses to trade with her except on terms which can only result in her complete absorption? To suggest such a retrograde policy is to condemn it. To speak of it as a policy fitted to consolidate the widely separated portions of our common country is to speak the language of insanity.

Let us reflect upon what has occurred in Manitoba and the North-West in a few years.

The people and Parliament of Canada were asked to purchase the North-West Territories, and they did so, at a cost, including the first rebellion, of several millions of dollars. They were asked to build the railway from Montreal to the Pacific Ocean, and they did so at an out-

lay in cash and lands of one hundred and twenty millions, which private investments have swollen to two hundred and twenty millions. They were asked to build or to subsidize branch railways, and they did so by gifts of public lands, which enabled our railway companies to provide an expenditure of sixteen millions for branch lines alone. They were asked to survey the public lands, and they have done so to the extent of millions of acres. They have improved the rivers of the North-West and facilitated their navigation. They have fed the Indians at an expense of a million annually ever since the country was taken over. They have expended other millions in getting immigrants into the North-West. They have paid for the machinery of federal and local government, at one time and another, an immense sum, which cannot be definitely calculated at the moment.

In fact, the Canadian people have dealt so liberally with Manitoba and the North-West generally that the result has been a substantial development and progress that are the admiration of all who have been made acquainted with the country's condition. And now that these burthens have been imposed upon the Canadian people; now that those millions have been expended in the development of the country, we are to be coolly told that the time has arrived when all these expenditures, all this progress and development, must be utilized to augment the commerce and enrich the railway traffic of a foreign country, instead of coming eastward over our national highway to national markets and national sea-ports, and being utilized to the best advantage of the general commerce of our common country! There can be but one reply to such unpatriotic assumptions.

Those who allege as a reason why the trade of Manitoba and the North-west should be tapped and diverted to build up Minnesota and other United States interests pretend that Manitoba has not the necessary railway facili-

ties for reaching the markets of the world. As a matter of fact, however, Manitoba has more miles of railway to her population than any other province of the Dominion, Let us see how she stands in this particular.

The Province of Manitoba has a white population of less than 100,000, and the North-West Territories have a white population of probably 50,000. This tract of country has now lines of railway as follows:—

| <i>Canadian Pacific Railway :—</i> | MILES. | |
|---|--------|------|
| Keewatin to Winnipeg..... | 129 | |
| Winnipeg to Stephen..... | 961 | |
| Branches to the U.S. border—through Southern Manitoba and to Selkirk, etc..... | 433 | |
| | <hr/> | 1523 |
| <i>Manitoba and Northwestern Railway :—</i> | | |
| Main Line..... | 180 | |
| Branches..... | 22 | |
| | <hr/> | 202 |
| <i>Northwest Coal and Navigation Co.....</i> | | 109 |
| <i>Regina and Long Lake.....</i> | | 23 |
| <i>Hudson's Bay Railway.....</i> | | 40 |
| | <hr/> | |
| Total..... | | 1897 |

If we were to limit the mileage to the 100,000 people of Manitoba alone, it would be found that the people of that province have more miles of railway and greater and better accommodation in stations, elevators, railway equipment, etc., than any equal number of people in any other part of Canada, or, for that matter, in any other part of the world.

On what grounds do the people of Manitoba ask the merchants, manufacturers, and people of Eastern Canada, to consent to the abandonment of the policy of Disallowance? Not because of insufficient railway facilities, for they have now more than a mile of railway for every hundred inhabitants. Not because their railways are badly built, badly equipped, or badly managed, or because the service is in any way unsatisfactory, for, in these par-

ticulars, even the most violent agitators against Disallowance admit that there is nothing to complain of. It can be then only because the rates are unjust or oppressive, and this, indeed, is the only claim that has been urged. But even if this claim were justified by the facts, it is not a sufficient ground for the reversal of a policy which was adopted for National Protection. The Government has full control over the rates of every railway in the Northwest, the Canadian Pacific as well as the others, and a remedy is within easy reach. If it can be shown that the railway rates in Manitoba or any other section are unjust or oppressive, the people of the whole country will see to it through their representatives in Parliament that justice is done. If Manitoba has been suffering under exorbitant rates for years, why has not an application for redress been made to the Railway Committee of the Privy Council, so that the facts on both sides might be brought out? There have been general statements in the newspapers, that the rates of the Canadian Pacific were too high, and these have been answered by counter statements, with figures and comparisons to show that they were not. The people of the country will not be satisfied with newspaper statements, on the one hand, or the assertions of the railway companies on the other; and while they are bound to see that no community is unjustly oppressed by the railways, they are equally bound to see that the vast amount of capital invested in the railways is fairly protected.

It is alleged that Manitoba's markets are not the best, and that her agricultural population could do better were they at liberty to market by other railways than those now running into the province. This contention can not be maintained. The prices of wheat may be taken as a criterion, and it is sufficient under this head to point out that Dakota farmers have carried their wheat into Manitoba to a market, and after paying transportation charges and

Canadian duties have been better off than in their home market.

Equally strong testimony to the satisfactory position of the Manitoba farmer, is the fact that many farmers are selling out in Dakota and taking up lands in Manitoba. On this point the statements of members of Parliament from Manitoba are conclusive.

Of course, it is possible for a railway, such as the St. Paul and Manitoba, or the Northern Pacific, that wishes to carry into the United States the traffic which should flow through Canadian channels, to reduce transportation rates below the cost of hauling, with a view to forcing trade into new channels, and this it might do even for years in the expectation of making the diversion permanent. This is certainly a danger to be guarded against by the commercial communities of Canada; but this is not legitimate railroading; and although it might be done with the object already named and for the further purpose of breaking down our Canadian system of railways which gives us independent connection with our North-western country, it would probably happen that this object once accomplished and the trade of the Northwest placed at the mercy of those foreign corporations, our Northwest brethren would find themselves delivered into the hands of hard taskmasters. To learn what United States railway corporations are capable of doing, we have only to look back to the popular uprising against their unfair, unjust and disastrous discrimination and oppression, which has led to the recent iron-clad legislation of the U. S. Congress directed against the entire railway system of that country; and it is only necessary to glance at the railway columns of the United States press to learn that the Canadian Pacific is regarded by the railways there with a feeling of the most intense hostility,—a feeling growing out of the fear of this young and vigorous giant which Canada has created. It is only necessary to

read the proceedings of the traffic meetings of the American railways to discover that, to them, the Canadian Pacific is a disturbing element of the most serious proportions, and one which they feel they must crush at any cost and by means of any possible combination.

If it is shown that the 100,000 people of Manitoba are already better supplied with railways than an equal number of people in any other part of America, that the trade of the country is favoured by moderate railway charges on local traffic, that Manitoba products are carried to their eastern markets and the Canadian seaboard at reasonably low rates, what argument remains to be urged by those who insist upon measures for diverting the trade of that province and the Territories into foreign channels? Is it pretended that United States monies have contributed to the building up of that country? Is it because United States capital has poured into Manitoba, that we should turn the trade of the province into United States channels? Are the people of that province under a heavy load of obligation to United States banks and merchants and railways for standing by them during the days of depression that followed the "boom?" To ask these questions is to answer them. Canadian and British capital alone has been risked in that country, before, during, and since the "boom." To Canadian banks, Canadian merchants, Canadian pluck, Canadian enterprise, it is due that there is any Manitoba, any Canadian North-West. The sacrifices of the Eastern Provinces, through the public resources and the public credit, and of eastern merchants and manufacturers, and the people of the Eastern Provinces generally, have been on no limited scale to make that country what it is to-day. Certainly the railway and mercantile interests of the United States had neither lot nor part in the great work. Whoever or whatever has contributed to the settlement and the commercial development of the Canadian North-West, the people and especially the rail-

ways of the United States have done nothing in *that* direction. That they have busied themselves in the affairs of that portion of our Dominion is not denied. It is, unfortunately, only too true. Their public journals have persistently assailed our North-West. They have slandered the country and its every feature. There has been no form of misrepresentation in which they have not indulged. They encouraged, in one form or another, both of the rebellions in that country. The agents of the U.S. North Western railways have been its bitterest enemies in Europe, poisoning the minds of Europeans against Manitoba and diverting emigration from the country by every means in their power. When emigrants were obliged to pass over United States railways to reach Manitoba, they were waylaid and induced to abandon their trip to point of destination and take up lands in the North-Western States. Where Canada was engaged in building up, these hostile influences were working with all their might in pulling down; and it is within the recollection of the Canadian people that no young and struggling community, no new and well favored province, was ever subjected to such misrepresentation and outrage as were the people and the Province of Manitoba at the hands of the railway interests now seeking to steal the valuable and growing trade of that very country. These are facts which can not be forgotten, and they form a slender basis for claiming to be rewarded by the transfer of Manitoba's trade from its present legitimate channel to foreign marts and foreign ports.

This serious question must be fought out in our Houses of Parliament without unnecessary delay. The future of our North-West Provinces and Territories may as well be settled at once and for good. We Canadians have a country extending from the Atlantic to the Pacific—nearly four thousand miles in extent. The population, the wealth, the enterprise lie here in the Eastern Provinces; the vir-

gin prairies, the rich granaries, the great grazing country, the future homes of untold millions lie there in the West. The two great divisions, separated by great lakes and a rocky territory, we have paid enormously to connect, for political and commercial and national purposes, by means of a great railway system, which is so truly national that its movements are watched with as much jealousy as are the operations of the government of our country. To unify this extended country, our government has expended untold millions. To build up our industries, we have adopted a policy of Tariff Protection. To develop our internal resources, we have bonused subsidiary railways without number, all forming part of a national system of internal development. The national interests called for a Short Line Railway connecting Montreal, Ottawa, Toronto, Quebec, etc., with our winter ports in the Lower Provinces, and Parliament responded to the call. The next step was to require that ocean mail steamships, subsidized by Parliament, should not make a foreign port their point of destination, and the claims of Halifax in Nova Scotia and St. John in New Brunswick were at once conceded by the Government; and Portland in Maine—for thirty years the winter port of the Upper Provinces—was practically abandoned by the Administration. All these indications of the trend of the national sentiment mark the lines on which our future must be built. None of these examples of legislation were accidental; it was the spirit of the people speaking through their representatives.

But why make winter ports at St. John and Halifax for Northwest traffic, why connect Quebec and Montreal and Ottawa and Toronto and Hamilton with the Northwest, why expend untold millions in the Northwest itself, why make ports on Lake Superior and extend the ramifications of our railway system through the Northwest with an energy unparalleled, if we are now to sup-

ply open gates through which the commerce of the North-west is to be diverted into United States channels to enrich in the future all the foreign agencies through which this commerce is to be distributed? Are the merchants, the manufacturers, the agriculturists, the artisans, the tax paying communities of the Eastern Provinces *en bloc* to be now told that the same Parliament that proclaimed a National Policy for the country is to denationalize the most important part of our country and hand the entire Canadian Northwest over as a slaughter market for the commercial and railway interests of the Western States? Are we to be assured that we were playing the part of fools when we insisted upon the building of the Short Line railway to give us the shortest possible route for the shipment of our winter exports through Canadian harbors?

The Parliament of Canada is bound to consider the consequences of the removal of the barrier which now operates to prevent the absorption of North-West trade by the United States. The influence of a network of railways, pushed from the United States into our new country, may be readily estimated. Through such agencies in virgin territory new channels of trade will be established, and the circumstances of the people and the development of the territory will be made to conform to a foreign railway and commercial system. Once overthrow the railway barrier, the next demand will be for the abolition of the Custom Houses; then will come an agitation promoted by railway speculators and disappointed politicians, for political union with the United States; and the North-West, if not absolutely lost to Canada and the Empire, will be kept in such a fever of excitement as will retard its progress and prevent that harmony and unity with the Eastern Provinces which all true friends of the country desire.

A national policy, to be truly national and permanent in its effects, must consider all the great interests of our

extended country, It must be armed at all points for the protection of all national interests and resources. It can not be of sectional application only. It can not protect our commercial interests at one point and leave them open to attack at other points. It need not be expected to promote prosperity in one quarter while threatening bankruptcy in another. We have a magnificent system of internal railways; let us see that what we do in the way of legislation tends to strengthen that system, not to cripple it. We have established a fiscal system which keeps Canadian trade for Canadians; let us see that we maintain it in the North-West as elsewhere. We have practically guaranteed to Canadian ports the Canadian winter traffic with Europe; let us see that nothing is done which can be construed into a repudiation of the guarantee. In a word, let Parliament at this serious moment declare, without wavering, and with a resolution not to be misunderstood, that it stands by Canadian Commerce, Canadian Railways, Canadian Ports, Canadian Seaports,—by Canadian Interests, first, last, and all the time.

CANADIAN MANUFACTURER.

THE RAILWAY DISALLOWANCE QUESTION IN MANITOBA.

When the General Assembly of the Presbyterian Church of Canada met in Winnipeg a month ago, many of its members expressed a desire to obtain in a concise form some of the information supplied to them verbally relating to the question of disallowance by the Dominion Government of charters granted by the Legislature of Manitoba to railroad companies to construct railway lines within the original Province of Manitoba. Since then many applications have been made from other quarters of a similar nature, and it is to meet the demand that this pamphlet has been prepared. It is hoped that the facts submitted will give to persons residing outside Manitoba a fair and clear understanding of the true position in which our people are placed regarding this question, and will explain the unanimous action taken by our Provincial Legislature to assert our constitutional rights as a Province having every privilege and right possessed by the sister Provinces that constitute the Dominion of Canada.

THE LEGAL QUESTION.

The letters of Mr. F. Beverley Robertson in the *Mail* (dated January 29th and February 7th, 1887) proved clearly that, when the Canadian Pacific Railway contract was made, it was understood by both parties to the contract that the Province of Manitoba was not affected more than the Provinces of Ontario or Quebec, and that there was no intention to create a monopoly in Manitoba. *This position was admitted to be correct by the Minister of Justice when waited upon by the Manitoba delegates May 3, 1887, in the following words: "There is no legal or constitutional reason to prevent the Province chartering railways to the boundary; it is a*

question simply of the the Government's trade policy," and it has never been disputed by the Canadian Pacific Railway Co., or by any member of Parliament on the floor of the House. We have, consequently, been at a loss to understand why a portion of the press and a great many otherwise well-informed people in the East, continually refer to the "monopoly clause" as if it applied to, or in any way affected, the old Province of Manitoba, or as if we wished to repudiate any part or portion of the contract with the Canadian Pacific Railway Company. As is well known, prominent members of the Cabinet stated on the floor of the House, when recommending further aid to the Canadian Pacific Railway Company, that the disallowance of Manitoba railway charters would cease as soon as the Canadian Pacific Railway was completed, and this was used by their supporters here as a reason why they should put up with this injustice to the Province and still continue to vote for and elect Government candidates. At the last election every candidate who was opposed agreed to vote and do everything in his power to do away with disallowance. Amongst the pledges so given by the above-mentioned candidates were the following, first formulated by the most influential supporters of the Dominion Government in the city of Winnipeg :

"We feel bound, as Conservatives, and we hereby pledge ourselves, not to support any candidate for election to the House of Commons of Canada who will not pledge himself to oppose that policy to the extent of voting want of confidence in any Government that hereafter persists in it, and otherwise by every means in his power."

"These views have been adopted by the whole Conservative party throughout Manitoba, and every Conservative candidate for election in Manitoba pledged himself thereto."

Some of the reasons given for this action are as follows :

"The policy of disallowance of local charters for the construction of railways within the limits of the old Province of Manitoba retards the natural progress not only of Manitoba and the Northwest Territories, but of the Dominion at large.

"It discourages immigration.

"It prevents the natural development of trade between the Northwest and the other Provinces of the Dominion, and in the

Northwest itself; to which natural development of trade competition in railway carriage between all the Provinces is essentially necessary.

"It is, therefore, not a policy of progress, but a policy of retardation, injurious alike to the Northwest and to the rest of the Dominion, and, as such, it is inconsistent with the principles of Conservatism."

Under these circumstances it is pretty hard to be told now that the Province having returned a majority of Government supporters, we have thereby endorsed the policy of disallowance.

The next points to be considered are :

1st. If the Canadian Pacific Railway is charging excessive rates to and between places in the Province of Manitoba ; and,

2d. What effect a competing line to the international boundary will have on inter-provincial trade.

RATES.

Wheat, lumber and fuel are, as everyone knows, the most important articles in the settler's economy. Wheat is the staple product ; lumber is used for the construction of his house and farm buildings ; coal is an urgent necessary of life in a severe climate and on treeless plains. It is evident that, other things being equal, if the railroad rates for these three articles in Manitoba are exorbitantly high in comparison with similar rates elsewhere, farming in our Northwest cannot pay simply because it cannot compete.

Mr. VanHorne assured the Board of Trade, voluntarily, in 1882, in the most solemn words, that our fuel and lumber would be carried at cost * * * * while wheat would be carried at a bare margin over cost to assist the settlers ; and that we must expect to pay fair rates for our merchandise. The following facts will show how far this promise has been kept.

WHEAT.

Mr. VanHorne lays stress upon a wheat rate of 33 cents from Calgary to Port Arthur, a distance of 1,269 miles, and relies on this rate for comparisons with other roads having a monopoly in their territory. But as a matter of fact that rate is given from all points west of Indian Head, which is only 741 miles from Port Arthur. The explanation is that no wheat is shipped from Calgary ; Regina, 786 miles west of Port Arthur, being practically the most westerly

point from which grain is shipped eastward. A true and fair comparison is to compare the wheat rates in force on the Canadian Pacific between Winnipeg and Port Arthur with those between St. Paul and Chicago, Port Arthur standing in the same relation to Winnipeg and other Manitoba points as Chicago does to St. Paul and Minneapolis :

| | Miles. | Per 100 lbs. |
|------------------------------|--------|--------------|
| Winnipeg to Port Arthur..... | 430 | 28 cents |
| St. Paul to Chicago..... | 420 | 7½ " |

So that the Manitoba settler shipping from Winnipeg has to pay four times as much to get his wheat to the Lake as the Minnesota or Dakota settler shipping from St. Paul. It was stated in the House of Commons, and is still asserted in Ministerial papers, that farmers in the northern parts of Dakota and Minnesota have teamed their wheat across the boundary to Emerson or Gretna, paying the Canadian duty, and have then shipped it by the Canadian Pacific to Port Arthur with more profit to themselves than if they had shipped it direct to Duluth from the place of growth. This is not the whole truth. Mr. Van Horne has admitted that only three carloads of wheat were dealt with in this way ; and that he allowed the shippers an exceptional rate of 15 cents per 100 pounds to Port Arthur, thus virtually paying the duty for them. The customs returns show that during the year ending June 30th, 1885, only 1,798 bushels of wheat crossed the international line at Gretna and Emerson, and for the year ending June 30th, 1886, but 74 bushels crossed it. Turning to the all-rail rates for carloads, the rate from Winnipeg to Montreal by the Canadian Pacific, a distance of 1,423 miles, is 50 cents per 100 pounds. From St. Paul to New York, a distance of from 1,420 to 1,500 miles, according to the rail route taken, the rate is 32½ cents ; from Council Bluffs, Ia., to New York, 1,440 miles, 25 cents per 100 pounds. That is to say, the Manitoba settler shipping from Winnipeg gets 17½ cents per 100 pounds or ten cents per bushel less for his wheat, in consequence of the higher railroad rate, than the Minnesota or Dakota settler, shipping from St. Paul ; and 25 cents per 100 pounds or 15 cents per bushel less than the Iowa settler shipping from Council Bluffs. The through rail-and-boat rates for carloads hit him quite as hard. The rate per 100 pounds from Winnipeg to Fort William is 28 cents, and from there to Montreal by Canadian Pacific boats 15 cents, or 43 cents in all. The propeller

rate from Port Arthur to Montreal is 10 cents, making the through rate from Winnipeg 38 cents, as against 43 cents by the Canadian Pacific boats. On the other hand, the rate from St. Paul to Duluth by rail is seven cents and the rate from Duluth to Montreal or New York ten cents, the through rate being thus 17 cents, or less than half that imposed on the Manitoba settler. The through rate from Minneapolis to Liverpool, via Duluth, including harbor dues, etc., is 29 cents per 100 pounds. The through rate from Winnipeg to Liverpool, via Port Arthur and Montreal, is 55 cents. So that the Canadian settler is handicapped in the Liverpool market to the extent of 26 cents per 100 pounds, or $15\frac{1}{2}$ cents per bushel. It must be borne in mind, however, that this does not represent the full extent of his disability. He is much further from Winnipeg, as a rule, than the Minnesota or Dakota settler is from St. Paul or Minneapolis; and as his local wheat rate is much higher than that in force on the American side of the line, he loses heavily at that end of the shipment. The following table, compiled from the Canadian Pacific tariff, No. 61, which went into effect on April 25 last, and from the St. Paul, Minneapolis and Manitoba tariff No. 2, which took effect on April 5 last, will show the difficulty under which the Canadian settler labors as regards local wheat rates in carloads:

| <i>Miles.</i> | <i>C. P. R. from M. & M. from</i> | |
|---------------|---------------------------------------|------------------|
| | <i>Winnipeg.</i> | <i>St. Paul.</i> |
| 20..... | 9 cents. | 4 cents. |
| 30..... | 11 " | 5 " |
| 50..... | 13 " | $7\frac{1}{2}$ " |
| 100..... | $17\frac{1}{2}$ " | 10 " |
| 200..... | 24 " | 17 " |
| 300..... | 29 " | 21 " |
| 525..... | 39 " | 30 " |

Now compare the local and through wheat rates on the Grand Trunk Railway in Ontario and Quebec and those prevailing on the Canadian Pacific Railway in Manitoba and the Northwest as shown by C. P. R. Western Division Tariff No. 61, April 25th, 1887, and G. T. R. Tariff No. 14, April 25th, 1887:

LOCAL RATES.

| | <i>Miles.</i> | <i>Per 100 lbs.</i> |
|---|---------------|---------------------|
| C. P. R., Brandon to Winnipeg..... | 133 | 20 cents |
| G. T. R., Stratford to Bowmanville..... | 131 | 13 " |
| C. P. R., Moose Jaw to Winnipeg..... | 398 | 34 " |
| G. T. R., Brantford to Montreal..... | 403 | $17\frac{1}{2}$ " |

THROUGH RATES.

| | <i>Miles.</i> | <i>Per 100 lbs.</i> |
|-------------------------------------|---------------|---------------------|
| C. P. R., Winnipeg to Toronto..... | 1287 | 50 cents |
| G. T. R., Ingersoll to Halifax..... | 1283 | 31½ " |

LUMBER.

The rate from Rat Portage, the shipping point for the Lake of the Woods Mills, to Winnipeg, a distance of 133 miles, is for green lumber \$4.65 per thousand feet ; for dry lumber 15½ cents per 100 lbs. Hull is to Montreal what Rat Portage is to Winnipeg, as regards the lumber supply. The rate from Hull to Montreal, a distance of 120 miles, is for green lumber \$1 per thousand ; for dry lumber 5 cents per 100 pounds.

COAL.

The rate from Fort William to Winnipeg, 423 miles, is \$5. per ton or one and one-fifth cents ton per mile. A rebate reducing the rate to \$3.01 per ton is allowed to dealers importing 10,000 tons or upwards. This makes the rate for large shipments seven-tenths of a cent per ton per mile. The rate on the Intercolonial, which the Maritime members say is too high, is three-tenths of a cent per ton per mile. If the Manitobans were granted the Intercolonial rate, imported coal could be sold in Winnipeg for \$1.75 per ton less than at present ; and at Portage la Prairie, Brandon and other points at a proportionate reduction ; whilst domestic coal from the Northwest mines could be laid down at Winnipeg for \$2.00 per ton below the present price.

Having seen how grievously the Manitoba "settler" is handicapped by the tolls collected on his grain, fuel and lumber, it is well also to show the freight rates charged on his general merchandise by the Canadian Pacific Railway :

| | Miles. | Class. | | | | |
|--|--------|--------|------|------|----|----|
| | | 1 | 2 | 3 | 4 | 5 |
| C. P. R., Port Arthur to Winnipeg..... | 430 | \$1 33 | 1 12 | 90 | 69 | 63 |
| G. T. R., Montreal to Stratford, Ont..... | 421 | 44 | 39 | 33 | 28 | 22 |
| C. P. R., Port Arthur to Portage la Prairie..... | 486 | 1 41 | 1 18 | 94 | 71 | 64 |
| G. T. R., Montreal to Glencoe, Ont..... | 483 | 44 | 39 | 33 | 28 | 22 |
| C. P. R., Port Arthur to Brandon..... | 562 | 1 58 | 1 32 | 1 05 | 79 | 71 |
| G. T. R., Montreal to Windsor..... | 562 | 48 | 42 | 36 | 30 | 24 |
| C. P. R., Port Arthur to Emerson..... | 496 | 1 33 | 1 12 | 90 | 69 | 63 |
| G. T. R., Montreal to Sarnia..... | 501 | 48 | 42 | 36 | 30 | 24 |
| C. P. R., Winnipeg to Oak Lake, Man..... | 166 | 78 | 66 | 53 | 41 | 37 |
| *C. P. R., Winnipeg to Oak Lake, Man..... | 166 | 67 | 57 | 46 | 36 | 32 |
| G. T. R., Montreal to Kingston, Ont..... | 163 | 22 | 19 | 17 | 14 | 11 |
| C. P. R., Winnipeg to McLean, N.W.T..... | 332 | 1 15 | 97 | 78 | 60 | 54 |
| *C. P. R., Winnipeg to McLean, N.W.T..... | 332 | 99 | 83 | 67 | 52 | 47 |
| G. T. R., Montreal to Toronto..... | 333 | 28 | 25 | 21 | 18 | 14 |
| C. P. R., Winnipeg to Pense, N.W.T..... | 373 | 1 23 | 1 03 | 84 | 64 | 58 |
| *C. P. R., Winnipeg to Pense, N.W.T..... | 373 | 1 05 | 88 | 72 | 55 | 50 |
| G. T. R., Montreal to Hamilton, Ont..... | 373 | 30 | 26 | 23 | 19 | 15 |

*NOTE.—This is a special rate given only to wholesale houses on freight shipped to retail merchants in the country.

C. P. R. Western Division Tariff, Nos. 61 and 62, April 25 and May 1, 1887.
G. T. R. Tariff No. 104, April 23, 1887.

If the people of Ontario and Quebec consider the freight rates paid by them to be excessive, let them calmly and dispassionately ponder over the position of the settler in Manitoba who is starting anew in life to make a home for himself and his family, taking the above comparisons as a key to the situation.

Having compared the rates of the Grand Trunk with those of the Canadian Pacific, it is but just that the rates of the latter should also be given, so that it may be seen how that road deals with the freights of the farmers on either side of Lake Superior. The Canadian Pacific, as compared with itself, is as follows :

C. P. R. LOCAL MERCHANDISE RATES.

| | Miles. | Class. | | | | |
|--|--------|--------|------|------|------|------|
| | | 1 | 2 | 3 | 4 | 5 |
| Montreal to Ottawa..... | 120 | \$0 15 | 0 13 | 0 11 | 0 10 | 0 09 |
| Winnipeg to Douglas..... | 122 | 67 | 57 | 46 | 35 | 32 |
| Winnipeg to Douglas (special wholesale). | 122 | 58 | 49 | 40 | 31 | 28 |
| Ottawa to Toronto..... | 260 | 36 | 32 | 27 | 23 | 18 |
| Winnipeg to Broadview..... | 264 | 1 00 | 84 | 68 | 52 | 47 |
| Winnipeg to Broadview (spec'l wholesale) | 264 | 86 | 72 | 59 | 45 | 41 |

C. P. R. Western Division Tariffs 14 (June, 1886), and No. 61, April 25, 1887.

C. P. R. Eastern Division Tariffs 4 (Nov., 1886) and No. 24, May 2nd, 1887.

How deeply the management of the Canadian Pacific Railway are interested in preserving their monopoly and the above extortionate rates may be estimated from the fact that the company pay to the St. Paul, Minneapolis and Manitoba Railway Company twelve per cent. of the gross freight earnings between Port Arthur and Winnipeg, and the latter company's line being the only one in the United States which has hitherto had a connection at the southern boundary of Manitoba. In return for this bribe, extorted from Canadian pockets, this foreign corporation effectually chokes off all competition between the Province and the East by a southern route. How much this bribe amounts to annually is a secret well hidden from the Canadian public, but we can state on good authority that for the past year it aggregated in the neighborhood of \$400,000.

INTER-PROVINCIAL TRADE.

Following is part of a resolution passed by the Winnipeg Board of Trade on the 1st February, 1887 :

“Your Board is desirous of impressing upon the people of the older Provinces that its efforts to get free from railway monopoly are not dictated by any desire to make the markets of this Province in the United States. On the contrary, its sole aim is to secure railway competition between Manitoba and these older Provinces, where the ties of Confederation and a system of national tariffs point to us our natural markets. The Board adheres to the principle that transportation between the Northwest and the East, facilitated and cheapened, must necessarily increase the trade intercourse between the two.”

The money saved by the people of this Province on freight rates gives just that much more cash to pay for merchandise in Eastern Canada, where, apart from the all-powerful consideration that our business connections are already established, the high Customs tariff now in force compels us to purchase our goods. If goods were carried from the United States markets to Manitoba free of freight charges it would fail to counterbalance the Customs duties imposed on imports from those markets. This effectually answers the misleading statements made by Mr. VanHorne and other interested persons that a connection with the American system of railways at the boundary line would make the market of this Province in the United States, instead of in Eastern Canada. The lower the freight rates enjoyed by the Manitoba settler the greater will be the benefit to the business community of Ontario and Quebec.

The whole matter has resolved itself into the question as to whether this Province has or has not the full rights enjoyed by the other Provinces. Would the Dominion Government ever dream of forbidding the people of Ontario to build lines from the Canadian Pacific Railway to the frontier? We believe we are the equal of the other Provinces of the Dominion of Canada, and will insist on being recognized as such; and knowing that we have a constitutional right to build a railroad to the boundary, our Legislature, consisting of 35 members, unanimously determined on doing so, and the Government, as instructed by the Legislature and supported by the whole population of the Province, are proceeding with the work undeterred by the foolish threats of the President of the Canadian Pacific Railway Company and his subsidized press.

As to the justice or injustice of the exercise of the power of disallowance by the Dominion Government in connection with this united effort of the people of Manitoba, we quote the following article from the *Winnipeg Sun* of July 13th, 1887 :

"New interest has been created in the alleged right of the Dominion Government to veto legislation within the constitutional powers of a province, by the opinions upon that point recently expressed by Messrs. Blake and Mowat. These gentlemen say that the technical right exists, but not a constitutional right ; inasmuch as the technical right has been used for the purpose of accomplishing a constitutional wrong. It is, therefore, proposed at the approaching Interprovincial Conference to seek Imperial legislation, with a view to removing entirely a power that has been so grossly abused.

The facts in connection with this veto power have been frequently presented to our readers, but reiteration at the present time can do no harm.

The veto power of the Governor-General-in-Council is found in the fifty-sixth, fifty-seventh and ninetieth paragraphs of the British North America Act, which in effect say that any bill passed by the general parliament shall be subject to disallowance by Her Majesty within two years, as in the case of bills passed in the legislatures of the provinces before the Confederation, and in like manner any bill passed by a local legislature shall be subject to disallowance by the Governor-General-in-Council within one year after the passage thereof.

It has frequently been pointed out that it was never the intention of the framers of the Confederation Act to give the Federal Authority power to legislate in respect of those matters on which the provincial legislatures had been given power to legislate. To veto a particular local act would be to legislate it, because it would remove from the provinces the exercise of a power that, under the mutual agreement which became the basis of Confederation, was to be conferred upon them. It is therefore in order to inquire why a power was vested in the Federal Authority that seems calculated, on the face of it, to deprive the provinces of the rights which the Confederation Act was intended to secure to them and thereby to destroy the very basis of the union.

We have already explained that a veto power had hitherto existed over colonial legislation, in the Imperial authorities, but had

been seldom exercised. To prevent the provincial legislatures from going beyond their jurisdiction, it was felt that the power must rest somewhere, and as it might be inconvenient to have the provincial legislation going to England, it was decided best to have it made subject to the Federal veto. The proposal, however, met with many objections; and fears were entertained that the power would be greatly abused. Let us see what transpired:

Hon. Mr. Sanborn—"It was a wise power and commended itself to all. It was, however, not an ordinary power to be commonly resorted to, but an extreme power and one almost revolutionary. * * * And it would not be frequently exercised without destroying the very foundations of society and occasioning evils of the greatest magnitude."

Mr. Sanborn's fears are in danger of being realized.

Sir Hector Langevin—"We are not to suppose that the intention of the veto power is that every bill passed in the local legislatures will be reserved for the sanction of the Central Government. That reservation will take place only in respect of such measures as are now reserved for Her Majesty's sanction. *

* * All local interests will be submitted and left to the decision of the local legislatures."

Here we have full vindication of the contention that we have just been making, viz: That the intention of the framers of Confederation was that this veto power should only be used as the Imperial veto had theretofore been used, viz: seldom or never. Nor was it the intention that all provincial legislation should be subject to Federal supervision.

Hon. Alexander Mackenzie—"I think it is quite fair and safe to assert that there is not the slightest danger that the Federal Parliament will perpetuate any injustice on the local legislatures, because it would cause such a reaction as to compass the destruction of the power thus unjustly exercised."

Mr. Mackenzie's argument has considerable force when applied to the larger provinces, but it provides little remedy for provinces with small representation. These are left at the mercy of the Federal power.

Sir John Macdonald—"The rights of self-government heretofore conceded to the several provinces are not in anywise impaired by their having entered into a Federal compact, and no infringement upon those rights which would be at variance with constitutional usage, or with the liberty of action previously enjoyed by the provinces when under the direct control of the Imperial Government, would be justifiable on the part of the Dominion Executive."

Here is the whole case in a nutshell. Sir John Macdonald condemned in most unequivocal language by himself.

Hon. George Brown—"By giving a veto for all local measures we have secured that no injustice shall be done without appeal in local legislation."

The use of the word "injustice" by Mr. Brown clearly indicates one of the main reasons why a veto power was provided. It is known that he was afraid that the Protestant minority in Quebec might be persecuted by the Roman Catholic majority, and therefore sought to provide a remedy for oppressive legislation. Nothing could have been further from his thoughts than any idea that a general weapon was being placed in the hands of the Federal authorities with a view to restricting the legislative rights of the different provinces.

It is clear from the quotations made that the veto power is merely an executive power, and that it should be exercised only in the extreme cases in which it was exercised by the Imperial Government prior to Confederation. The quotations show that within the exclusive jurisdiction allotted to the various provinces there should be no interference except in cases of injustice. If any act should be passed while clearly within the jurisdiction, but affecting some particular portion of the local community unjustly, or in some way encroaching upon the individual rights of persons in the province, then the power should be exercised, but clearly the power should not be exercised when the province is acting within its jurisdiction and its legislation does not work any injustice on any portion of the community. Where the province is a unit on a particular subject within its jurisdiction no interference should be recognized. Any such interference would clearly be an infringement of the right of self-government enjoyed by the provinces prior to Confederation. Sir John Macdonald, himself, clearly stated that

the rights of self-government enjoyed by the provinces were not to be impaired by the Federal Union and thereby shows that no justification exists for the course pursued by the Government towards Manitoba. It certainly, therefore, is time that steps were taken to secure the necessary Imperial legislation for the removal of a power that has been unconstitutionally exercised."

Nothing but competing lines of railway in this Province will secure settlers and induce capitalists to invest in the Northwest.

Mr. VanHorne has been interviewed time and again by deputations asking for reductions in freight rates, but he only rebuffed the deputations. Within a week the C. P. R. has found it expedient to reduce the local freight rates on their line in British Columbia from FIFTY TO NINETY PER CENT., and yet the organs of the company in Eastern Canada had previously the audacity to state that they were not too high, and that up to the day the reduction went into force. These same journals are informing their readers that the Manitobans have simply to request the Canadian Pacific Railway Company to lower the rates, and, if refused, to appeal to the Dominion Government for relief. The fact is well known to be that the Government practically has no control over the C. P. R. rates until that company is earning 10 per cent. on the capital invested in the road, both by the railway company and the people of Canada. If the people of this province have to submit to the monopoly until that occurs the present generation will never get relief.

That the farmers of the Northwest have managed to exist during the past few years under the oppressive burdens thus loaded upon them, furnishes a strong proof of the natural advantages in soil, climate, and other details which they have found in this great broad prairie land ; and let them only have the competition in railways which is now guaranteed to the older Provinces of the Dominion, and the Northwest will soon develop a cure for every evil which now rests upon it, and become in a very short time one of the most prosperous agricultural countries in the world.

Resting our case upon the foregoing collection of incontrovertible facts and figures, as Canadians as well as Manitobans, we appeal to the free people of Canada at large, assured that in the minds and hearts of the citizens of every other province of the Dominion there exists the feeling that from Atlantic to Pacific all shall enjoy

the same freedom as themselves ; and in first appealing on grounds of justice, we do not fear to test our appeal by justice in its sternest sense. We ask for no injustice to be placed upon any person, corporation or community. We ask for the cancellation of no contract or agreement which has been assented to by the Dominion of Canada or any portion thereof. We ask for the abolition of no privilege or advantage guaranteed by the Dominion or any portion thereof to any individual corporation or community. We ask for no aid from the tax-payer of the Dominion in our efforts to free ourselves from the withering monopoly with which we are unjustly burdened. But we ask for the privileges guaranteed to every province in Confederation by the British North America Act ; for the guarantees made to Manitoba by the Dominion Act, creating the very corporation which now holds the grasp of monopoly upon our province and its people ; for the cessation of the abuse of the Vice-Regal veto power, in direct contradiction of the statements and pledges of the leader and other members of the present Government, made by them when the veto power was first entrusted to Canada ; and lastly, we ask for a redemption of the pledges made by members of the same Government, but faithlessly broken in order that one hundred thousand struggling pioneers of this prairie province may be crushed and trampled upon to secure a purely imaginary financial gain to one soulless corporation

But we appeal to our fellow-citizens of Canada on national trade grounds, where the financial interests of all Canadians are concerned. A system of national tariffs has made the large cities and manufacturing centres of Old Canada the purchase markets of the whole Dominion, and no portion of the Dominion has had to bear more of the burden and reap less of the benefits of this tariff system, than the Northwest. Yet its people have supported this very tariff system in a desire to secure unity of Canadian trade. Now they and the people of the east are told, that there shall be but one common carrier of merchandise between the East and the Northwest, which shall tax with impunity the trade intercourse between the new and the old portions of the Dominion, and out of the exorbitant rates thus extorted from the people of Canada at large, pay to a foreign railway corporation a heavy percentage of the charges on the supplies shipped by the eastern manufacturer to the

western pioneer. It seems almost folly to ask : Can trade be free and prosper between its scattered elements throughout the Dominion when their intercourse is in the grasp of a monopoly, which thus plunders them to pay tribute or hush money to a foreign corporation ? To you we appeal to assist us by your moral support, in one effort, to break this iniquitous compact, which taxes the Canadian to enrich the foreigner ; to assist us in facilitating and cheapening transportation between all portions of our Dominion, and thus making Canadian trade what it ought to be—one concentrated whole.

Lastly we appeal upon grounds of Confederation. Our confederation of provinces never was intended to, never can, and never will be, with the consent of the free people composing them, a union of conquered and consequently oppressed petty states, but a union of free and representative peoples' unitedly possessing all the necessaries to become in time a great nation. Only upon grounds of equality can these members of our Confederation grow up in harmony and prosperity, and wherever a departure is made from this principle of equality, as has been with the railway rights of Manitoba, the seeds of discord are sown, and Confederation exists only in name, and upon the power of the strong to oppress the weak. We cannot believe that the people of Canada desire a policy like this, which will naturally produce discontent, if not a stronger feeling, in a portion of the Dominion to which they belong, and in the prosperity of which they are so deeply interested. Much less do we believe that they will favor such a policy, to secure an imaginary advantage to a solitary corporation, a policy the Dominion Government seeks to enforce with the sacrifice of every principle of good faith on its part, and under the gauzy subterfuge of a trade policy. With this appeal we rest our case with the people of Canada, with the confidence that with them our rights will be respected.

